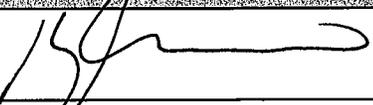
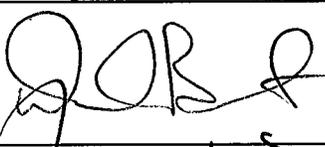
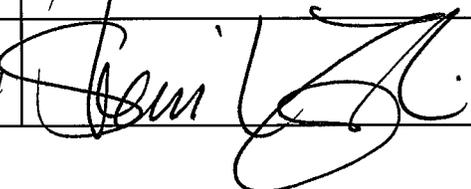


**STATEMENT OF EXPECTATIONS**

Statement of Expectations on Employee Recognition Committee Funds	Document No.	
	Effective Date	

**APPROVAL SIGNATURES**

Title	Name	Signature	Date
Director	<b>Henry Darwin</b>		9/27/13
Affected Division Director(s)	<b>Elizabeth Thorson</b> <i>Human Potential Office</i>		9/26/13
	<b>David Briant</b> <i>Administrative Services Division</i>		9.27.13
OAC	<b>Sherri Zendri</b> <i>Administrative Council</i>		9/26/2013

**A. PURPOSE AND APPLICABILITY:**

The purpose of this Statement of Expectations (SOE) is to establish guidelines for the management and use of ADEQ’s Employee Recognition Committee (ERC) fund.

**B. AUTHORITY**

A.R.S. §41.709 Gifts and Donations for Employee Recognition

**C. SUMMARY OF METHOD**

All activities associated with ADEQ’s Employee Recognition Committee are in compliance with General Accounting Office Bulletin No. 00-1 issued 1/11/00 (Attachment #1): *Guidelines for Establishing and Accounting for Employee Recognition Programs Funded by Donations or Fund Raising Activities.*

**D. DEFINITIONS & RESPONSIBILITIES**

- Employee Recognition Committee:** comprised of ADEQ employees, ERC Coordinator, ERC Sponsor and Business Team representative.

**Responsibility** -- for ensuring that this Statement of Expectation is implemented, followed and kept current. The Committee work as a team to budget for, plan and execute employee recognition activities.

2. **ERC Coordinator** – a staff member of the Human Potential Office (HPO) and is an authorized signer on the ERC fund account. This individual is responsible for the use of funds, monitoring, coordinating, marketing, locating, and procuring necessary items for Division and agency-wide ERC activities and events.

**Responsibilities**

- a. Following Agency guidelines, works with the Committee to prepare the annual ERC budget and maintain accurate records of income and expenditures.
  - b. Schedules regular Committee meetings for the planning and execution of agency-wide employee recognition events.
  - c. Assists Division ERC representatives with the planning and execution of Division events, including retirement and length-of-service awards:
    - 1) Orders employee plaques
    - 2) Prepares recognition letters for Agency Director's signature
    - 3) Makes necessary purchases
    - 4) Maintains ERC equipment and supplies
  - d. Coordinates other employee-centered initiatives as directed.
3. **ERC Representatives** – committee volunteers or designees from the Agency's Divisions/Departments.

**Responsibility** -- preside over employee recognition planning and activities for their respective Divisions.

4. **Business Team** – appointed by ADEQ's Budget Office.

**Responsibility** --

- a. Following Agency guidelines, works with the ERC Coordinator and Committee to prepare, load, expend and track the annual ERC budget.
  - b. Accepts, deposits and provides receipts for donations to the ERC fund.
  - c. Handles the cash drawer for fund raising events.
  - d. Maintains accurate ERC fund records of income and expenditures.
5. **Donations** – cash or non-cash contributions or services from external or internal sources.
  6. **Employee Recognition** – any formal action taken in recognition of employees for their contributions, support and dedication to achieving agency goals as well as professional achievements.
  7. **ERC Fund** – established in accordance with Arizona State law.
  8. **ERC Sponsor** – ADEQ's Budget Administrator shall serve as the ERC Sponsor.

**Responsibility** – serves on the ERC to provide guidance for management of ERC funds and serve as liaison to the Executive Leadership Team.

9. **Fund Raising Event** – any activity or project that is sponsored by the ERC for the purpose of raising money to celebrate employee recognition.
10. **Event Financial Report** –a form used by ERC to monitor all event expenditures, supplies, individual sales and cash collected at ERC fund raising events.

## **E. PROCEDURAL STEPS**

All donations, contributions, solicitations and fund raising monies or other receipts will be administered in accordance with rules and regulations set forth by ADOA, GAO and ADEQ.

### **ERC Fund**

1. A fund has been established in accordance with State law and will be administered in accordance with GAO Bulletin No. 00-1 issued 1/11/00 (Attachment #1) Section II-C of the State of Arizona Accounting Manual revised 11/15/96: *General Cash Policies* (Attachment #2).
2. The ERC Sponsor will make determinations on any potential conflicts of interest.
3. Non-cash goods or merchandise received shall be recorded on the Employee Recognition Committee Donated Materials Inventory Log (Attachment #3).
4. A secured, locked location shall be designated for the storage and safeguarding of goods or merchandise contributed for the benefit of an Employee Recognition Program.
5. ERC fund account signers shall be
  - a. ERC Coordinator
  - b. ERC Sponsor
  - c. Chief Financial Officer

### **Annual Budget**

1. The ERC Committee prepares an annual fiscal year (July 1 – June 30) budget for all ERC activities and submits it to the Director's Office Business Team (see example, Attachment #4).
2. The Business Team produces a budget load document for the Budget Office to review, approve and enter into the State Accounting System.
3. The ERC Coordinator requests funds for activities directly from the Business Team and provides them with reports, receipts, deposit slips and any other requested documentation for maintaining and auditing the ERC fund account.

- a. Common types of expenses that may be paid out of appropriated or non-appropriated (donated or raised) funds include:
  - 1) Awards (plaques, trophies, certificates, etc.)
  - 2) Printing (forms, brochures, marketing materials)
  - 3) Equipment rental
  
- b. Common types of expenses that may be paid out of non-appropriated (donated or raised) funds include:
  - 1) Food and refreshments for event consumption or for resale
  - 2) Film and film processing
  - 3) Decorations
  - 4) Other purchases authorized by a majority vote of the ERC

**Donations:**

1. Fund solicitation shall not violate Arizona State Policy A.A.C.R2-5-501.C (4), *Standards of Conduct* (Attachment #5).
2. The donor will be informed that the donated funds will be used exclusively for employee recognition.
3. With the exception of anonymous donations, the receipt of all external cash or non-cash donations shall be reported using the ADEQ Employee Recognition Program Donation Acknowledgement & Receipt Form (Attachment #3), a copy of which will be the donor's receipt, as practicable per GAO Technical Bulletin No. 11-04 issued 4/1/11: *The State's Tax Exempt Status and the Receipt of Charitable Contributions* (Attachment #6).
4. If a non-cash donation is received via mail, a letter will be sent, along with the ERP Donation Receipt Form, to the donor stating that the donation may be sold for cash and that all donations will be used for employee recognition purposes (see example, Attachment #7). They shall be sent Certified Mail, Return Receipt Requested. The mailing receipt shall be stapled to the ERP Donation Receipt form.
5. The ERC has the right to refuse any donation that may be deemed to create a conflict of interest as determined by the ERC Sponsor.
6. The ERC Coordinator will send a detailed report of all donations to the ERC Sponsor on a quarterly basis.
7. There is no time-frame or limitation on when the funds must be used, as long as the money is used for employee recognition purposes.
8. For fund raising events where State employees are encouraged to participate, a notice will be posted that all proceeds will be used for employee recognition purposes.
9. For fund raising events, all unsold and unused merchandise shall be returned to the ERC Coordinator for ERC determination of future use. A detailed description of what was sold

and what was remaining shall be noted on the ERC Event Financial Report (see example, Attachment #8).

10. All funds raised from private donors or other State employees for the purpose of employee recognition become public funds.

### **Cash Receipts**

1. For cash received from an ERC fund raising event, the ERC Treasurer will
  - a. Immediately deposit the cash into the ERC fund and attach the original deposit receipt to the original event transaction request form.
  - b. Complete an event financial report and transaction request form and submit them to the ERC Coordinator for review, signed approval and filing.
  - c. If a discrepancy is found, the agency ERC Coordinator must contact the ERC Sponsor for immediate resolution.
2. All cash which is not ready for deposit will be kept overnight in the agency safe.
3. The ERC records shall be maintained on a current basis. The agency ERC Coordinator will perform monthly reconciliations on the fund. If a discrepancy is found, the Coordinator will contact the ERC Sponsor and Business Team Manager for immediate resolution.
4. The ERC Coordinator shall maintain records of all cash receipts and expenditures. The records will include copies of receipts, invoices, event financial reports, event transaction requests and ADEQ general accounting cash receipts. These records will be kept on an annual basis for three years and are subject to audit by both ADEQ and the State Auditor General.

### **Fund Withdrawals/Disbursements**

1. The ERC Coordinator and Sponsor shall approve all disbursements of the fund. A signature authorization form (GAO-3) will be maintained by the Chief Financial Officer and the Procurement Office.
2. ERC funds may be withdrawn by the ERC Coordinator in the following manner:
  - a. P-Card issued specifically for ERC use. Original receipts are to be forwarded to the Business Team with copies kept with the ERC fund records;
  - b. Purchase Order (PO) by e-mailing a request to the Business Team to prepare a requisition for specific items using ProcureAZ. The Business Team will return a copy of the completed PO for ERC fund records.

- c. ERC Checking Account. For account reimbursement, ERC Coordinator shall scan to the Business Team receipts listed by check number. Original receipts are kept with the ERC fund records.
3. The ERC Sponsor shall arrange for the fund to be audited annually by the Agency's Accounting Department.

### **Awards**

1. The determination for when awards shall be given, for what purpose and in what dollar amount shall be determined in accordance with GAO Bulletin No. 00-1 issued 1/11/00 (Attachment #1).
2. Gift certificates and lottery tickets that cannot be redeemed for money may be purchased with ERC funds.
3. Awards that can be easily converted to cash may not be purchased with ERC funds.

### **F. RECORDS MANAGEMENT**

The ERC Coordinator maintains all ERC fund records for the budget, deposits and transactions, Committee lists, activity/event plans and historical documentation (photos, programs, marketing materials, etc.). Records are kept on file according to the State's documentation destruction requirements and are maintained in the Human Potential Office for review upon request.

### **G. QUALITY ASSURANCE AND QUALITY CONTROL**

This ERC Fund Statement of Expectation will be reviewed by the ERC at least every two years in order to maintain its relevancy.

### **H. REFERENCES**

- 1) GAO Technical Bulletin No. 00-1 issued 1/11/00: *Guidelines for Establishing and Accounting for Employee Recognition Programs Funded by Donations or Fund Raising Activities*
- 2) GAO Technical Bulletin No. 11-04 issued 4/1/11: *The State's Tax Exempt Status and the Receipt of Charitable Contributions.*